

## CITY OF FRESNO MUNICIPAL RESTORATION ZONE

### Summary of Benefits & Qualifying Criteria

#### What is the MRZ?

The City of Fresno Municipal Restoration Zone (MRZ) is a set of local business incentives designed to promote job creation in Fresno's urban core.

This program allows qualified new\* or expanding\*\* businesses within the MRZ to obtain refunds of certain fees, reductions of permit fees, and refunds of sales & property taxes.

#### Location

The **MRZ** contains all properties within the City of Fresno limits south of McKinley and west of Peach. As the City of Fresno boundaries grow, the MRZ may also grow, subject to Council approval. For a map of the MRZ, please visit our website at [www.fresnoez.com](http://www.fresnoez.com).

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### What are the Benefits of a Municipal Restoration Zone?

#### Business License Fee Refund

Any <sup>1</sup>qualified new or expanding business in the MRZ will receive a business license fee refund for a period of three (3) years.

**<sup>2</sup>Request for Refund** – Qualified businesses can receive a refund, retroactive to July 1, 2006 by submitting proof of payment to the Economic Development Department.

#### Building Permit Fees and Development Entitlement Fee Reduction

Any <sup>1</sup>qualified new or expanding business in the MRZ will receive a one-time reduction of up to 50% of building permit fees and development entitlement fees up to a maximum of \$50,000. Incentive applies to a single project and a single eligible business property.

**<sup>3</sup>Request for Reduction** – Adjustment is given at time of application in the City of Fresno Development Department – Permits Division.

**<sup>4</sup>Retroactive Refunds** – Any qualifying business, which paid fees in full between July 1, 2006 and October 31, 2006, may apply to receive a refund of 50 percent of the fees paid by submitting proof of payment to the City of Fresno Economic Development Department.

## City Sales/Property Tax

Any <sup>1</sup>qualified new or expanding business in the MRZ may be eligible and apply to receive an amount equivalent to up to 50% of sales and/or real property taxes allocated to and paid to the City for the first five (5) years of operation (or 5 years following an expansion) for a maximum cumulative payment of \$10,000 per year.

**<sup>2</sup>Request for Payment** – The payment will be available on application following the end of a fiscal year, based on taxes paid to and received by the City of Fresno, and generated solely from the new business or because of the business expansion. Available annually, after the business is certified as eligible, and the application for the payment is processed and approved by the Economic Development Department.

## Hiring Credit

Any <sup>1</sup>qualified new or expanding business within the MRZ that adds qualified employees will be eligible for a credit of up to \$3,000 per qualified employee (the credit will be calculated as 20 percent of the wages paid to the qualified employee in the applicable year), up to a maximum of \$15,000 per incentive period. The credit may be earned each year that the qualified employee remains an employee, for up to five years.

Qualified employees are full-time employees who reside in the MRZ at the time of hire.

Proof of employee's residence at time of hire is required by submitting a voucher application, along with proper current documentation (I-9, W-4, current driver's license, or utility bill) to the City of Fresno Economic Development Department.

**<sup>2</sup>Request for Payment** – Is given annually in arrears and may be used in the fourth and fifth year to receive a refund of business license fees or additional payment related to sales taxes.

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**\*New business** = a commercial, industrial, retail, or other legitimate business (not a Government Code Section 53084 Business) that newly locates within the MRZ boundaries. Business must show proof of ownership of property or evidence of a long-term lease (not less than five years).

**\*\*Expanding business** = a commercial, industrial, retail, or other legitimate business (not a Government Code Section 53084 Business) that either expands its physical facilities within the MRZ by at least 20 percent (based on useable square footage for business operations), or expands the number of employees filling full-time jobs by at least 20 percent. Business must show proof of physical expansion through real property tax bills showing an increase in assessed property values.

<sup>1</sup>New or expanding businesses must fill out an Application to Determine Eligibility.

<sup>2</sup>Filing period for refund of business license or sales and/or property taxes is October 1 – June 1 following the June 30 end of each Incentive Period.

<sup>3</sup>Adjustment to building permits and entitlement fees will be given at time of application in the Development Department – Permits Division.

<sup>4</sup>Requests for refunds of building permits and entitlement fees paid between July 1, 2006 and date of certification can be requested immediately.